

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.: 11-cv-00672-ESH
)	
SATYAM COMPUTER SERVICES LIMITED d/b/a)	
MAHINDRA SATYAM,)	
)	
Defendant,)	
)	

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S MOTION FOR AN ORDER TO
TRANSFER FAIR FUND FOR DISTRIBUTION TO HARMED INVESTORS**

In accordance with the Distribution Plan for the Fair Fund approved by this Court on April 24, 2019 (“Distribution Plan”) the United States Securities and Exchange Commission (“SEC” or “Commission”) respectfully requests that the Court enter an Order: (1) directing the Clerk of the Court to transfer all funds, less any registry fees, held in the Registry of the Court under the case name designation “SEC v. Satyam Computer Services Limited d/b/a Mahindra Satyam, Case No. 11-cv-00672 (ESH)” (the “Fair Fund”) to the court-appointed Distribution Agent, Rust Consulting, Inc. (“Rust” or “Distribution Agent”), by sending the same to the escrow account titled “SEC v. Satyam Comp Svcs Fair Fund” c/o The Huntington National Bank for distribution to harmed investors; (2) authorizing the Distribution Agent to distribute the Fair Fund, less a \$502,001.17 reserve for taxes and related fees and expenses of the Tax Administrator and Distribution Agent, to Eligible Claimants¹ in accordance with the terms of the Distribution Plan.

¹ Capitalized terms used not defined herein shall have the meanings ascribed to them in the Distribution Plan approved by the Court.

MEMORANDUM

I. BACKGROUND

By order dated April 6, 2011, the Court entered a consent Final Judgment as to Defendant Satyam Computer Services Limited d/b/a Mahindra Satyam (“Satyam”). On April 22, 2011, Satyam paid a civil penalty of \$10,000,000 to the Clerk of the Court pursuant to the Final Judgment. [Dkt. No. 3]. In a related administrative proceeding against Satyam’s independent auditors: Lovelock & Lewes; Price Waterhouse, Bangalore; Price Waterhouse & Co., Bangalore; Price Waterhouse, Calcutta; and Price Waterhouse & Co, Calcutta (collectively, “PW India” or “Respondents”), the SEC ordered the Respondents to pay civil penalties totaling \$6,000,000. *In the Matter of Lovelock & Lewes, et al.*, Exchange Act Release No. 64184 (April 5, 2011). Pursuant to an Order to Transfer Funds entered on December 8, 2011, the SEC transferred the \$6,000,000 paid by the Respondents to the Court Registry Investment System (“CRIS”) of the District Court on January 23, 2012. [Dkt. No. 6]. The Fair Fund consists of the \$16,000,000 paid by Satyam and the Respondents.

On September 27, 2016, the Court entered an order appointing Damasco & Associates, LLP² (“Tax Administrator”) to fulfill the tax obligations of the Fair Fund. [Dkt. No. 9]. On October 3, 2016, the Court entered an order creating the Fair Fund and appointing Rust as the Distribution Agent. [Dkt. No. 11] On April 24, 2019, the Court entered an Order approving the Distribution Plan. [Dkt. No. 58] As of June 30, 2021, the Net Fair Fund totals \$15,863,682.14 after a reserve of \$502,001.17 for taxes and the fees and expenses of the Tax Administrator and Distribution Agent.

II. DISTRIBUTION OF FUNDS TO ELIGIBLE CLAIMANTS

Pursuant to paragraphs 37 and 38 of the Distribution Plan, Rust has prepared and submitted to the Commission Staff a list of Eligible Claimants with the amounts of each Eligible Claimant’s Eligible Loss

² As of October 1, 2016, Damasco and Associates, LLP became a part of Miller Kaplan Arase LLP. The firm’s engagement with the SEC and its ability to carry its duties as appointed Tax Administrator for this case has not changed.

Amount (Payee List)³ and a Reasonable Assurance letter, representing that the Payee List: (a) was compiled in accordance with the Distribution Plan; (b) is accurate as to Eligible Claimants' names, addresses, and Eligible Loss Amounts; and (c) provides all information necessary to make to each Eligible Claimant a payment equal to the amount of the applicable Eligible Loss Amount for each Eligible Claimant. Rust has also submitted the "Declaration of Jason Rabe in Support of the Securities and Exchange Commission's Motion to Distribute Fair Fund" ("Declaration")⁴ in support of this Motion, filed herewith as Exhibit A. The Declaration provides a detailed explanation of the procedures the Distribution Agent used to develop the Payee List. The Payee List and the Declaration have been reviewed by the undersigned Commission Counsel who has no objections.

Rust is now in a position to distribute the Fair Fund to Eligible Claimants as defined in the Plan. In order to do so, in accordance with paragraph 28 of the Plan, the Distribution Agent has established an Escrow Account at The Huntington National Bank in the name of and bearing the Employment Identification Number of the Qualified Settlement Fund, "SEC v. Satyam Comp Svcs Fair Fund." The Distribution Agent has also established a separate Deposit Account titled with the same name as set forth above for the purpose of funding payments to be distributed to Eligible Claimants. Accordingly, the Commission respectfully requests that the Court authorize the Clerk of the Court to transfer the entire Fair Fund, less any registry fees, to the Distribution Agent. The Distribution Agent will then distribute the Fair Fund, less a reserve of \$502,001.17 for taxes, and fees and expenses of the Tax Administrator, to Eligible Claimants pursuant to the Distribution Plan.

III. CONCLUSION

WHEREFORE, for all the foregoing reasons, the SEC respectfully requests that this Court grant

³ The Payment File was provided to the Commission staff for its review and acceptance and will be provided to the Court upon request under seal.

⁴ The Commission will provide the exhibits to the Declaration to the Court upon request.

this Motion for an Order to Transfer Fair Fund for Distribution to Harmed Investors and grant such other relief as it deems just and proper.

DATED: August 10, 2021

s/ Keshia W. Ellis
Keshia W. Ellis
Trial Counsel
United States Securities and Exchange
Commission
Office of Distributions
100 F. Street, N.E.
Washington, DC 20549
Michigan Bar #P65146
Tel: (202)-551-4406
Fax: (301)623-1188
Email: elliskw@sec.gov

CERTIFICATE OF SERVICE

I hereby certify that on August 10, 2021, I electronically filed the foregoing Plaintiff Securities and Exchange Commission's Motion to Transfer Fair Fund for Distribution to Harmed Investors via the Court's CM/ECF filing system, which will send a notice of electronic filing to all CM/ECF participants.

s/ Keshia W. Ellis

Keshia W. Ellis